

**REPORT
ON THE
LIMITED AUDIT**

**COUNTY OF TULARE
TULARE COUNTY HEALTH AND HUMAN SERVICES AGENCY
VISALIA, CALIFORNIA**

**PUBLIC HEALTH EMERGENCY PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD
SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

**Audits Section – Fresno
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Michael Harrold
Auditor: Jaskaranjit Bal**



DAVID MAXWELL-JOLLY
Director

State of California—Health and Human Services Agency
Department of Health Care Services



ARNOLD SCHWARZENEGGER
Governor

MAY 15 2009

Ray Bullick, Director
County of Tulare
Tulare County Health and Human Services Agency
Health Services Department
Government Plaza
5957 South Mooney Boulevard
Visalia, CA 93277

Dear Mr. Bullick:

The claims for expenditures for services provided by Tulare County Health and Human Services, under the Public Health Emergency Preparedness Program, Hospital Preparedness Program contract for the fiscal period of September 1, 2005 through August 31, 2006 have been audited by the Financial Audits Branch of the Department of Health Care Services. In addition, a review was made of the program's management and operational procedures.

Except as set forth in the following paragraph, our audit was made in accordance with generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Accordingly, our audit included such tests of the accounting records and other audit procedures, as we considered necessary under the circumstances.

The financial statements of Tulare County for the fiscal year ended June 30, 2006, were examined by other auditors whose report dated December 6, 2006, expressed an unqualified opinion on those statements.

The scope of our review was limited to specific contract or program requirements relating to financial compliance and did not include sufficient work to determine whether the financial statements present fairly the financial position and the results of the financial operations. We have not duplicated the work performed by the other auditors.

As noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial position referred above. Consequently, no financial statements are presented.

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The program audit was conducted during the months of July through November, 2008. The exit conference was held on January 7, 2009 at which time the results of the engagement were discussed.

This Audit Report includes the:

1. Executive Summary of Findings
2. Contract Compliance
3. Line Item Budget
4. Financial Schedules

The report concludes that no additional amount is due the State or Contractor.

Emergency Preparedness Office may require a corrective action plan in response to the findings in this report. If so, please develop and submit a corrective action plan within ninety (90) days of receipt of this letter to:

Patty Call
Contract Manager
Planning and Policy Unit
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P. O. Box 997413, MS 7002
Sacramento, CA 95899-7413

If you disagree with the decision of the Department, you may appeal by writing to:

Chief
Office of Administrative Appeals and Hearings
1029 J Street, Suite 200
Sacramento, CA 95814
(916) 322-5603

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The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)


Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899-7413

Courier (UPS, FedEx, etc.)

Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814-5005
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you should have any further question, please contact Patty Call, Contract Manager, at (916) 650-6456.


Michael A. Harrold, Chief
Audits Section – Fresno
Financial Audits Branch

Certified

cc: Betsey Lyman
Deputy Director
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
P. O. Box 997413, MS 7002
Sacramento, CA 95899-7413

Susan Fanelli
Assistant Deputy Director
Emergency Preparedness Office
California Department of Public Health
1615 Capitol Avenue, Suite 73.373
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cc: Patty Call
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**TULARE COUNTY
TULARE COUNTY HEALTH AND HUMAN SERVICES AGENCY
HOSPITAL PREPAREDNESS PROGRAM
HPP FUNDING GRANT AGREEMENT
FISCAL PERIOD SEPTEMBER 1, 2005 THROUGH AUGUST 31, 2006
EXTENDED THROUGH AUGUST 31, 2007**

I. EXECUTIVE SUMMARY OF FINDINGS

The following information is a summary of our findings:

GRANT COMPLIANCE

1. The HPP approved an extension to the California Department of Public Health (CDPH) for the HPP Year 4 award budget year end date to August 31, 2007. This was done to allow the counties to complete emergency response activities approved by EPO. (See Section IV.A)
2. The County requested a total of \$355,709 of federal funds to implement HPP critical benchmarks. (See Section IV.B)
3. Our review disclosed redirection of funds from one critical benchmark to another and changes in the line item budgeted amounts. The County did not have prior approval from EPO for redirection of funds. (See Section IV.C)
4. No situations were detected during the course of our review, in which funds from this agreement were used to fund other pre-existing programs or other new programs. (See Section IV. E)
5. The agreement requires the County to submit mid-year and year-end progress reports to document their activities related to the grant award to EPO. EPO or the Federal HPP have the responsibility to monitor these reports. Our review disclosed that the County did not submit the required reports. (See Section IV. G)

LINE ITEM BUDGET

1. The County fully expended the HPP grant funds approved for fiscal period 2005-2006 within the specified time frame. Our review of the grant line item budget expenditures did not disclose any material exceptions. (See Section V)

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II. INTRODUCTION

A. DESCRIPTION OF PROGRAM

The Hospital Preparedness Program (HPP [formerly HRSA]) is funded by the U.S. Department of Health and Human Services under the authority of section 2802(b) of the Public Health Services (PHS) Act, as amended by the Pandemic and All-Hazards Preparedness Act (P.L. 109-417). The purpose of this program is to enable award recipients to improve surge capacity and enhance community and hospital preparedness for public health emergencies. Funds from HPP are used to build medical surge capability through planning, personnel, equipment, training and exercise capability at the State and local levels. These efforts are intended to support the National Preparedness Goal established by the Department of Homeland Security in 2005 and the goals outlined in Section 319C-2 of the PHS Act.

B. DESCRIPTION OF AGENCY

The Tulare County Health and Human Services Agency (HHSA) is a local governmental agency, which is a part of the County of Tulare government. HHSA provides central administrative functions including fiscal, operations, human resources, information systems, marketing, training and more. HHSA integrates the services of Public Health, Mental Health, Environmental Health, Maternal, Child, and Adolescent Health, Social Services, Alcoholism and Drug and Emergency Preparedness.

The Tulare County Health and Human Services Agency develops, implements, and promotes public policies that improve the well being of the people of Tulare County through programs provided in a caring collaborative and culturally respectful manner.

The Tulare County Health and Human Services Agency has a Hospital Preparedness Program grant agreement with the California Department of Public Health (CDPH), to receive HPP funding.

C. SITE LOCATIONS

The County of Tulare Health and Human Services Agency is located at 5957 South Mooney Boulevard, Visalia, CA 93277.

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D. FUNDING SOURCES

The following is a summary of the County of Tulare's expenditures of federal awards for the fiscal year ended June 30, 2006.

	Expenditures
U.S. Department of Health and Human Services	\$ 96,695,727
U.S. Department of Agriculture	\$ 73,679,726
U.S. Department of Labor	\$ 14,778,405
U.S. Department of Justice	\$ 3,083,184
U.S. Department of Homeland Security	\$ 1,944,138
U.S. Department of Transportation	\$ 1,712,972
Elections Assistance Commission	\$ 1,612,434
U.S. Department of Interior, Bureau of Land Mgmt	\$ 1,489,279
U.S. Department of Housing and Urban Development	\$ 670,229
U.S. Department of Education	\$ 201,894
Total Expenditures of Federal Awards	\$195,867,988

Hospital Preparedness Program Grant Funding

Hospital Preparedness Program (HPP) local funding awarded for the budget period, September 1, 2005 through August 31, 2006, totaled \$355,709 to implement the HPP Critical Benchmarks which was extended to August 31, 2007. HPP expenditures are included as part of U.S. Department of Health and Human Services expenditures line in the above schedule.

E. GRANT GOALS AND OBJECTIVES

The Hospital Preparedness Program (HPP) has developed Critical Benchmarks (CB) designed to measure activities to assist hospitals and supporting health care systems to deliver coordinated and effective care to victims of terrorism and other public health emergencies.

A Cooperative Agreement between the federal, state, and local entities was used to support HPP program collaboration. The purpose of the HPP Cooperative Agreement is to build upon the planning, infrastructure development, and implementation that began in fiscal year 2002. The HPP requires the State and local entities to address critical benchmarks within priority areas.

Through the grant agreement, the funds are to implement the HPP Critical

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Benchmarks in accordance with the funding application, plan, and budget as approved by CDPH. The grant agreement's HPP priority areas and critical benchmarks parallel the Federal HPP priority areas and critical benchmarks. Refer to Schedule 2 of this audit report for the Glossary of HPP Priorities and Critical Benchmarks.

County of Tulare was contracted to address the following priority areas and critical benchmarks:

Priority Area #2: Regional Surge Capacity for the Care of Adult and Pediatric Victims of Terrorism and Other Public Health Emergencies

- Critical Benchmark #2-1: Surge Capacity – Hospital Bed Capacity
- Critical Benchmark #2-2: Surge Capacity – Isolation Capacity
- Critical Benchmark #2-5: Surge Capacity – Pharmaceutical Caches
- Critical Benchmark #2-6: Surge Capacity – Personal Protective Equipment
- Critical Benchmark #2-7: Surge Capacity – Decontamination
- Critical Benchmark #2-10: Surge Capacity – Communication and Information Technology

Priority Area #5: Education and Preparedness Training

- Critical Benchmark #5: Education and Preparedness Training

Priority Area #6: Terrorism Preparedness Exercises

- Critical Benchmark #6: Terrorism Preparedness Exercises

F. REGULATIONS

This program is governed by the following regulations:

- Public Health Service Act, Section 319C (42 USC 247 d-3)
- 45 CFR Part 92 (Under the Public Welfare section) (Under the Grant requirements for State, Local and Tribal Governments)
- OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations)
- California Health and Safety Code, Sections 101315 to 101320

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G. ABBREVIATIONS IN THIS REPORT

CB	Critical Benchmark
CDPH	California Department of Public Health
CFR	Code of Federal Regulations
EPO	Emergency Preparedness Office (California Department of Public Health Program Office)
HPP	Hospital Preparedness Program
HRSA	Health Resources and Services Administration
OMB	U.S. Office of Management and Budget

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III. SCOPE OF AUDIT

The Financial Audits Section's review of the County of Tulare (herein referred to as the County) was restricted to the Hospital Preparedness Program.

The audit consisted of the review of the financial records to ensure the existence of proper documentation and the propriety of claims submitted to the State for reimbursement. This review included substantive testing:

- To determine that recorded and reported program funds awarded are expended in accordance with terms of the grant agreement with the CDPH;
- To determine that payments are for actual costs and reflect amounts billed to the State;
- To determine that payments are for services rendered;
- To determine that grant funds did not supplant existing levels of State and local funding for this program.

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IV. GRANT COMPLIANCE

The examination included a review to determine if the County conducted the program in compliance with grant terms and applicable regulatory requirements. The following is a summary of findings relating to this portion of the audit.

A. HPP 2005-2006 GRANT BUDGET YEAR EXTENSION

The HPP approved an extension of the budget year end date to the California Public Health Department (CDPH) for the Year 4 award to August 31, 2007. CDPH coordinated the budget extension with the Federal HPP to allow the counties to complete emergency response activities.

B. FEDERAL HPP GRANT FUNDS

The maximum payable to Tulare County under the Local Funding HPP Agreement was \$355,709 for budget period September 1, 2005 through August 31, 2006.

The County requested a total of \$355,690 of federal funds, and had expenditures totaling \$355,709. The expenditures exceeded the budget by \$19. The federal grant award is shown in Section VII – Schedule 1A.

C. REDIRECTION OF FUNDS

Exhibit B8 – Budget Detail and Payment Provisions, Allowable Line Item Shifts, states that

- A. Redirection of funds within a critical benchmark of an amount of a cumulative threshold of 25% requires prior approval by CDHS.
- B. Redirection of funds less than the prior approval threshold within a critical benchmark requires that local entity inform CDHS of the details of the redirection to ensure proper documentation and accountability.
- C. Redirection of funds from one critical benchmark to another requires prior approval by CDHS regardless of the amount.

Our review disclosed redirection of funds from and to critical benchmarks and line item budgets were increased and/or decreased without prior approvals from EPO. Funds by line item budget category are shown on Schedule 1A.

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Recommendation:

We recommend that the County obtain approval from EPO for any deviations from the original budget to ensure compliance with requirements of the grant agreement.

D. UNEXPENDED HPP GRANT FUNDS

Exhibit B2.C - Budget Detail and Payment Provisions, Accountability Requirements, states "The LHD shall return unexpended funds from Project Period 2005-2006 unless carry over of such funds is approved by CDHS and HPP."

The entire award of \$355,690 was expended in the period September 1, 2005 through August 31, 2007.

E. SUPPLANTING OF FUNDS

Exhibit A7.A – Scope of Work, Expenditure and Program Requirement, states "In accordance with the signed conditions of funding form submitted by all recipients of HPP funds as part of the funding application, plan, and budget, funds shall not be used to supplant funding for existing levels of services and only be used for the purposes designated herein."

EPO performed a review in part to determine if supplanting of funds might occur prior to acceptance and approval of the County's agreement application. During the course of our review, we did not detect any situations in which funds from this agreement were used to fund other pre-existing programs or other new programs.

F. SINGLE AUDIT

In accordance with OMB Circular A-133, Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

We were provided with the Single Audit Reports for Fiscal Year Ended June 30, 2006, issued by M. Green and Company, whose report was dated December 6, 2006. The independent auditor's opinion was that the County complied, in all

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material respects, with the requirements of the major federal programs for the fiscal year ended June 30, 2006, and noted no matters involving the internal control over compliance and its operations. No exceptions were disclosed in the Single Audit Reports regarding the Public Health Emergency Preparedness Program.

G. REPORTING REQUIREMENTS

The contract requires mid-year and year-end written progress reports to document the County's activities related to the grant award to satisfy federal reporting and CDPH monitoring requirements. Our review disclosed that the County did not submit the required progress reports.

Recommendation:

We recommend that the County establish a checklist for all program reports required to be submitted to the State with a due date of each report to ensure that all reports are submitted timely to comply with the requirements of the grant agreement.

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V. LINE ITEM BUDGET

The following is a discussion of the fiscal findings relating to our examination of the County's line item expenditures. The details of these amounts are included on Schedules 1 and 1A.

1) Contractual

The contractual line item represented 4% of the total HPP allocation of funds awarded for the 2005-2006 period. The County's budget requested a total of \$14,000 for contractual expenditures associated with Critical benchmark 2-1 for a trauma center assessment. Our review of invoices totaling \$11,848 did not disclose any material exceptions.

2) CDPH Purchased Equipment and Supplies

CDPH purchased equipment and supplies represented 57% of the total HPP allocation of funds awarded for the 2005-2006 period. The total amount approved by EPO was \$203,489 for equipment and supplies that were available via Grainger (CDPH's prime vendor contract). These equipment and supplies were to be directly purchased by CDPH and delivered to the entities named in the County's approved plan associated with Critical Benchmarks 2-1, 2-2, 2-5, 2-6, 2-7 and 6 for items such as 25' trailer, blankets, backboards, adjustable hospital beds, evacuation chairs, master generator, rapid response triage kit, heavy duty platform truck, heavy duty shelter, military folding cots, environment containment units including filters and ploy pads, negative air machine, hand held digital manometer, air purification system, negative pressure isolation kit, pharmaceuticals, full mask respirator for security personnel, cooling vests, 2' overhead light, 600 gallon water bladder, 30 gallon waste water pump, hospital deacon shower, water heater system, 20' collapsible patient roller system, plastic folding barricade and other emergency supplies. The County requested confirmation from the critical care facilities for equipment and supplies that were received from Grainger. Our review of all CDPH direct purchased equipment and supplies expenditures totaling \$224,638 did not disclose any material exceptions.

Additionally, part of the CDPH-purchased equipment and supplies budget request was \$36,400 for pharmaceutical medical caches. Pharmaceutical purchases totaling \$36,382 were received by the County.

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3) Non-CDPH Purchased Equipment and Supplies

Local entity purchased equipment and supplies represented 12% of the total HPP allocation of funds awarded for the 2005-2006 period. The total amount approved by EPO for direct purchases was \$41,806 for equipment and supplies associated with Critical Benchmarks 2-1, 2-10, and 5 for ventilator and support equipment, vapotherm unit, laptop, LCD projector, hazmat, risk communication, disaster planning, and risk communication training. Our review of all non-CDPD purchased equipment and supplies expenditures totaling \$31,042 did not disclosed any material exceptions.

4) Personnel (Implementation) Costs

The implementation costs represented 14% of the total HPP allocation of funds awarded for the 2005-2006 period. The County's budget requested a total of \$50,000 for the HPP Coordinator to plan, develop and implement the priority areas and critical benchmarks 2-1, 2-2, 2-5, 2-6, 2-7, 2-10, 5 and 6. Our review of HPP Coordinator's salaries of \$50,000 disclosed that the expense was not based on actual time spent on the grant or a time study instead the salaries for two years were split and charged to the CDC grant and HPP grant.

Recommendation:

We recommend that the County track actual time spent via timesheet or conduct a time study to comply with requirements of the grant agreement.

5) Administrative Costs

Under the grant agreement, as a fiscal agent, the County may claim up to 15% of total allowable contractual, CDPH-purchased equipment and supplies, non-CDPH purchased equipment and supplies, and implementation costs, as administrative costs. The County's budget requested \$46,395 for fiscal agent administrative costs or 13%. The County actually charged \$38,181 to HPP Year 4 for fiscal agent administrative costs.

Further, based on our examination, nothing came to our attention to indicate that the County has not complied with the material terms and conditions of the contract beyond the findings noted above.

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VI. SYSTEMS AND PROCEDURES

The management of the County of Tulare is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance the assets are safeguarded against loss, from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

We did not review the County of Tulare's overall internal control structure. We limited our internal control review to the County's procedures to account for emergency preparedness program funds, and the County's preparation of the required filing of the program financial status reports.

Further, the CPA's Comprehensive Audited Financial Report of the County of Tulare disclosed no material weaknesses related to the overall internal control structure.

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VII. SCHEDULES

Schedules of financial data have been included in this report to summarize the amounts claimed and paid under the grant agreement as presented on Schedule 1 and Schedule 1A. The glossary of HPP priorities and critical benchmarks has been included on Schedule 2.

SCHEDULE 1

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SUMMARY OF AUDITED PROGRAM EXPENDITURES

Budget Categories	Audit Adjustment No.	2005-2007 Expenditures & Encumbrances		
		As Reported	Audit Adjustments	As Audited
1. Contractual				
A. Critical Benchmark 2-1, Bed Capacity		\$11,848		\$11,848
B. Critical Benchmark 2-2, Isolation Capacity		\$0		\$0
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$0		\$0
D. Critical Benchmark 2-6, Personal Protective Equipment		\$0		\$0
E. Critical Benchmark 2-7, Decontamination		\$0		\$0
F. Critical Benchmark 2-10, Communication and Information Technology		\$0		\$0
G. Critical Benchmark 5, Education and Preparedness Training		\$0		\$0
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$0		\$0
Total Contractual		\$11,848		\$11,848
2. CDPH-Purchased Equipment and Supplies				
A. Critical Benchmark 2-1, Bed Capacity		\$84,995		\$84,995
B. Critical Benchmark 2-2, Isolation Capacity		\$17,932		\$17,932
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$36,382		\$36,382
D. Critical Benchmark 2-6, Personal Protective Equipment		\$8,090		\$8,090
E. Critical Benchmark 2-7, Decontamination		\$77,069		\$77,069
F. Critical Benchmark 2-10, Communication and Information Technology		\$0		\$0
G. Critical Benchmark 5, Education and Preparedness Training		\$0		\$0
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$170		\$170
Total CDPH-Purchased Equipment and Supplies		\$224,638		\$224,638
3. Non-CDPH Purchased Equipment And Supplies				
A. Critical Benchmark 2-1, Bed Capacity		\$17,688		\$17,688
B. Critical Benchmark 2-2, Isolation Capacity		\$0		\$0
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$0		\$0
D. Critical Benchmark 2-6, Personal Protective Equipment		\$0		\$0
E. Critical Benchmark 2-7, Decontamination		\$0		\$0
F. Critical Benchmark 2-10, Communication and Information Technology		\$6,791		\$6,791
G. Critical Benchmark 5, Education and Preparedness Training		\$6,563		\$6,563
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$0		\$0
Non-CDPH Purchased Equipment And Supplies		\$31,042		\$31,042

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SUMMARY OF AUDITED PROGRAM EXPENDITURES

Budget Categories	Audit Adjustment No.	2005/2007 Expenditures & Encumbrances		
		As Reported	Audit Adjustments	As Audited
4. Personnel (Implementation)				
A. Critical Benchmark 2-1, Bed Capacity		\$6,250		\$6,250
B. Critical Benchmark 2-2, Isolation Capacity		\$6,250		\$6,250
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$6,250		\$6,250
D. Critical Benchmark 2-6, Personal Protective Equipment		\$6,250		\$6,250
E. Critical Benchmark 2-7, Decontamination		\$6,250		\$6,250
F. Critical Benchmark 2-10, Communication and Information Technology		\$6,250		\$6,250
G. Critical Benchmark 5, Education and Preparedness Training		\$6,250		\$6,250
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$6,250		\$6,250
Total Personnel (Implementation)		\$50,000		\$50,000
5. Administrative Costs (Not To Exceed 15%)				
A. Critical Benchmark 2-1, Bed Capacity		\$14,523		\$14,523
B. Critical Benchmark 2-2, Isolation Capacity		\$2,908		\$2,908
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$5,126		\$5,126
D. Critical Benchmark 2-6, Personal Protective Equipment		\$1,724		\$1,724
E. Critical Benchmark 2-7, Decontamination		\$10,019		\$10,019
F. Critical Benchmark 2-10, Communication and Information Technology		\$1,568		\$1,568
G. Critical Benchmark 5, Education and Preparedness Training		\$1,541		\$1,541
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$772		\$772
Total Administrative Costs		\$38,181		\$38,181
GRAND TOTAL		\$355,709		\$355,709

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HPP FUNDING GRANT AGREEMENT
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EXTENDED THROUGH AUGUST 31, 2007**

SUMMARY OF PROGRAM EXPENDITURES

Budget Categories		Approved Original Budget	2005/2007 Expenditures & Encumbrances	Total Unspent Funds
1.	Contractual			
A.	Critical Benchmark 2-1, Bed Capacity	\$0	\$11,848	(\$11,848)
B.	Critical Benchmark 2-2, Isolation Capacity	\$0	\$0	\$0
C.	Critical Benchmark 2-5, Pharmaceutical Caches	\$0	\$0	\$0
D.	Critical Benchmark 2-6, Personal Protective Equipment	\$0	\$0	\$0
E.	Critical Benchmark 2-7, Decontamination	\$0	\$0	\$0
F.	Critical Benchmark 2-10, Communication and Information Technology	\$12,000	\$0	\$12,000
G.	Critical Benchmark 5, Education and Preparedness Training	\$2,000	\$0	\$2,000
H.	Critical Benchmark 6, Terrorism Preparedness Exercises	\$0	\$0	\$0
	Total Contractual	\$14,000	\$11,848	\$2,152
2.	CDPH-Purchased Equipment and Supplies			
A.	Critical Benchmark 2-1, Bed Capacity	\$78,905	\$84,995	(\$6,090)
B.	Critical Benchmark 2-2, Isolation Capacity	\$16,749	\$17,932	(\$1,183)
C.	Critical Benchmark 2-5, Pharmaceutical Caches	\$36,400	\$36,382	\$18
D.	Critical Benchmark 2-6, Personal Protective Equipment	\$3,006	\$8,090	(\$5,084)
E.	Critical Benchmark 2-7, Decontamination	\$68,259	\$77,069	(\$8,810)
F.	Critical Benchmark 2-10, Communication and Information Technology	\$0	\$0	\$0
G.	Critical Benchmark 5, Education and Preparedness Training	\$0	\$0	\$0
H.	Critical Benchmark 6, Terrorism Preparedness Exercises	\$170	\$170	\$0
	Total CDPH-Purchased Equipment and Supplies	\$203,489	\$224,638	(\$21,149)
3.	Non-CDPH Purchased Equipment And Supplies			
A.	Critical Benchmark 2-1, Bed Capacity	\$25,981	\$17,688	\$8,293
B.	Critical Benchmark 2-2, Isolation Capacity	\$0	\$0	\$0
C.	Critical Benchmark 2-5, Pharmaceutical Caches	\$0	\$0	\$0
D.	Critical Benchmark 2-6, Personal Protective Equipment	\$3,825	\$0	\$3,825
E.	Critical Benchmark 2-7, Decontamination	\$0	\$0	\$0
F.	Critical Benchmark 2-10, Communication and Information Technology	\$7,000	\$6,791	\$209
G.	Critical Benchmark 5, Education and Preparedness Training	\$5,000	\$6,563	(\$1,563)
H.	Critical Benchmark 6, Terrorism Preparedness Exercises	\$0	\$0	\$0
	Non-CDPH Purchased Equipment And Supplies	\$41,806	\$31,042	\$10,764

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SUMMARY OF PROGRAM EXPENDITURES

Budget Categories		Approved Original Budget	2005/2007 Expenditures & Encumbrances	Total Unspent Funds
4. Personnel (Implementation)				
A. Critical Benchmark 2-1, Bed Capacity		\$6,250	\$6,250	\$0
B. Critical Benchmark 2-2, Isolation Capacity		\$6,250	\$6,250	\$0
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$6,250	\$6,250	\$0
D. Critical Benchmark 2-6, Personal Protective Equipment		\$6,250	\$6,250	\$0
E. Critical Benchmark 2-7, Decontamination		\$6,250	\$6,250	\$0
F. Critical Benchmark 2-10, Communication and Information Technology		\$6,250	\$6,250	\$0
G. Critical Benchmark 5, Education and Preparedness Training		\$6,250	\$6,250	\$0
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$6,250	\$6,250	\$0
Total Personnel (Implementation)		\$50,000	\$50,000	\$0
5. Administrative Costs (Not To Exceed 15%)				
A. Critical Benchmark 2-1, Bed Capacity		\$16,670	\$14,523	\$2,147
B. Critical Benchmark 2-2, Isolation Capacity		\$3,450	\$2,908	\$542
C. Critical Benchmark 2-5, Pharmaceutical Caches		\$6,398	\$5,126	\$1,272
D. Critical Benchmark 2-6, Personal Protective Equipment		\$1,962	\$1,724	\$238
E. Critical Benchmark 2-7, Decontamination		\$11,176	\$10,019	\$1,157
F. Critical Benchmark 2-10, Communication and Information Technology		\$3,788	\$1,568	\$2,220
G. Critical Benchmark 5, Education and Preparedness Training		\$1,988	\$1,541	\$447
H. Critical Benchmark 6, Terrorism Preparedness Exercises		\$963	\$772	\$191
Total Administrative Costs		\$46,395	\$38,181	\$8,214
GRAND TOTAL		\$355,690	\$355,709	(\$19)

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GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

PRIORITY AREA #1: ADMINISTRATION

Critical Benchmark #1: Financial Accountability

Develop and maintain a financial accounting system capable of tracking expenditures by critical benchmark and by funds allocated to hospitals and other health care entities.

PRIORITY AREA #2: REGIONAL SURGE CAPACITY FOR THE CARE OF ADULT AND PEDIATRIC VICTIMS OF TERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES

Critical Benchmark #2-1 Surge Capacity: Hospital Bed Capacity

Establish systems that, at a minimum, can provide triage treatment and initial stabilization, above the current daily staffed bed capacity, for the following classes of adult and pediatric patients requiring hospitalization within three hours in the wake of a terrorism incident or other public health emergency:

- a. 500 cases per million population for patients with symptoms of acute infectious disease – especially smallpox, anthrax, plague, tularemia and influenza;
- b. 50 cases per million population for patients with symptoms of acute botulinum intoxication or other acute chemical poisoning – especially that resulting from nerve agent exposure;
- c. 50 cases per million population for patients suffering burn or trauma; and
- d. 50 cases per million population for patients manifesting the symptoms of radiation induced injury – especially bone marrow suppression.

Critical Benchmark #2-2 Surge Capacity: Isolation Capacity

Ensure that all participating hospitals have the capacity to maintain, in negative pressure isolation, at least one suspected case of a highly infectious disease (e.g., smallpox, pneumonic plague, SARS, influenza and hemorrhagic fevers) or febrile patient with a suspect rash or other symptoms of concern who might be developing a highly communicable disease.

Awardees must identify at least one regional healthcare facility, in each awardee defined region, that is able to support the initial evaluation and treatment of at least 10 adult and pediatric patients at a time in negative pressure isolation within 3 hours post-event.

Critical Benchmark # 2-3 Surge Capacity: Health Care Personnel

This benchmark has been incorporated into Critical Benchmark 2-4.

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GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

Critical Benchmark #2-4 Surge Capacity: Emergency System for Advance Registration of Volunteer Health Professionals

Develop a system that allows for the advance registration and credentialing of clinicians needed to augment a hospital or other medical facility to meet patient/victim care and increased surge capacity needs.

Critical Benchmark #2-5 Surge Capacity: Pharmaceutical Caches

Establish a regional system that insures a sufficient supply of pharmaceuticals to provide prophylaxis for 3 days to hospital personnel (medical and ancillary staff), hospital based emergency first responders and their families -- in the wake of a terrorist-induced outbreak of anthrax or other disease for which such countermeasures are appropriate.

Critical Benchmark #2-6 Surge Capacity: Personal Protective Equipment

Each awardee must ensure adequate personal protective equipment (PPE) per awardee defined region, to protect current and additional health care personnel, during an incident. This benchmark is tied directly to the number of health care personnel the awardee must provide to support surge capacity for beds.

The level of PPE will be established based on the HVA, and the level of decontamination that is being designed in CB #2-7.

Critical Benchmark #2-7: Surge Capacity: Decontamination

Insure that adequate portable or fixed decontamination systems exist for managing adult & pediatric patients as well as health care personnel, who have been exposed during a chemical, biological, radiological, or explosive incident in accordance with the numbers associated with CB #2-1.

Critical Benchmark #2-8: Surge Capacity: Behavioral (Psychosocial) Health

Enhance the networking capacity and training of health care professionals to be able to recognize, treat and coordinate care related to the behavioral health consequences of bioterrorism or other public health emergencies.

Critical Benchmark #2-9: Surge Capacity: Trauma and Burn Care

This benchmark has been incorporated into Critical Benchmark #2-1.

Critical Benchmark #2-10 Surge Capacity: Communications and Information Technology

Establish a secure and redundant communications system that insures connectivity during a terrorist incident or other public health emergency between health care facilities and state and local health departments, emergency medical services, emergency management

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GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

agencies, public safety agencies, neighboring jurisdictions and federal public health officials.

PRIORITY AREA 3: EMERGENCY MEDICAL SERVICES

Critical Benchmark #3: Emergency Medical Services

Enhance the statewide mutual aid plan to deploy EMS units in jurisdictions/regions they do not normally cover, in response to a mass casualty incident due to terrorism.

This plan must ensure the capability of providing EMS triage, transportation and patient tracking for at least 500 adult and pediatric patients per million population within 3 hours post-event. In addition, for each metropolitan area or other region of the state for which a 40 predictable high-risk scenario has been identified during a HVA, the plan must describe a mechanism for transporting patients from an incident scene or from local hospitals to healthcare facilities in adjacent jurisdictions, to temporary healthcare facilities within or near the affected jurisdiction, and to nearby airports or rail stations for transport to more distant healthcare facilities. All scenarios documented by the applicant under Critical Benchmark #2-1 should be addressed in mutual aid plans for EMS.

PRIORITY AREA 4: LINKAGES TO PUBLIC HEALTH DEPARTMENTS

Critical Benchmark #4-1: Hospital Laboratories

Implement a hospital laboratory program that is coordinated with currently funded CDC laboratory capacity efforts, and which provides rapid and effective hospital laboratory services in response to terrorism and other public health emergencies.

Critical Benchmark #4-2: Surveillance

Enhance the capability of rural and urban hospitals, clinics, emergency medical services systems and poison control centers to report syndromic and diagnostic data that is suggestive of terrorism or other highly infectious disease to their associated local and state health departments on a 24-hour-a-day, 7-day-a-week basis.

PRIORITY AREA 5: EDUCATION AND PREPAREDNESS TRAINING

Critical Benchmark #5: Education and Preparedness Training

Awardees will utilize competency-based education and training programs for adult and pediatric pre-hospital, hospital, and outpatient health care personnel responding to a terrorist incident or other public health emergency.

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GLOSSARY OF HPP PRIORITY AREAS AND CRITICAL BENCHMARKS

PRIORITY AREA 6: TERRORISM PREPAREDNESS EXERCISES

Critical Benchmark #6: Terrorism Preparedness Exercises

As part of the state or jurisdiction's bioterrorism hospital preparedness plan, functional exercises will be conducted during FY 2005 and should be based on the Awardee HVA. These drills should involve several state agencies and implement the Incident Command Structure (ICS). To the extent possible, members of the public should be invited to participate. These exercises/drills should encompass, if possible, at least one biological agent. The inclusion of scenarios involving radiological and chemical agents as well as explosives may be included as part of the exercises/drills.

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VIII. CONTRACTOR'S RESPONSE TO AUDIT FINDINGS

The audit findings were discussed at the exit conference held on January 7, 2009. The County's response subsequent to the 30 day review is included on Attachment A. None of the issues in the response related to HPP.

No revisions were made to this report as a result of the County's response.

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IX. PROGRAM'S RESPONSE TO AUDIT FINDINGS

A draft copy of this report was submitted to the Emergency Preparedness Office for their review prior to the finalization of the report. A response was received from EPO on April 17, 2009. EPO had no issues with the audit findings for the Hospital Preparedness Program.

No revisions were made to this report as a result of the County's response.



Tulare County ^X ATTACHMENT A
Health & Human Services Agency

John Davis, Agency Director

Health Services Department ■ Ray Bullick, Director

January 30, 2009

RECEIVED

FEB 09 2009

Jaskaranjit K. Bal, Auditor
State of California
Department of Health Care Services
Audits Section – Fresno
1782 East Bullard Avenue, Suite 101
Fresno, CA 93710-5856

Department of Health Services
Audits and Investigations
Financial Audits Branch
Audits Section—Fresno

SUBJECT: FY2005-2006 CDC & HPP AUDIT

Dear Jas,

First and foremost, let me take this opportunity to thank you for meeting with our staff over the past several months. Your insights at the exit meeting were invaluable as we strive to efficiently deliver these vital services in Tulare County.

In reply to your findings, attached is a summary of the County's response to each point. Also attached are exhibits supporting our response.

Again, working with you, as well as Michael Harrold, has been a pleasure. If you have any questions or need further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, reading "Judy Richmond".

Judy Richmond, Unit Mgr. I
Public Health Emergency Preparedness Coordinator

Attachments (2)

cc: Ray Bullick, Health Director
Kevin Marks, Assistant Agency Director
Dianthe Hoffman, Public Health Division Manager
Kevin Mikesell, Fiscal Manager
Peggy O'Conner, Accountant

X. ATTACHMENT A

County of Tulare
FY05/06 PUBLIC HEALTH EMERGENCY PREPAREDNESS (6034)/CDC
LAB(6039)/HOSPITAL PREPAREDNESS (6105)AUDIT

RESPONSE SUMMARY BY FINDING

Exhibit #	Item	State Finding	County Response
	Recovery of \$55,211	Unspent	Agree
	Recovery of \$7,379	Found to be used for the next fiscal period (07-08) which was not approved.	Disagree-LHD Staff was following previous guidance from state program staff to charge contracts in this manner so long as the same contract was not charged twice during the same grant period.
	Reclassify \$19,739	from "contractual" to "equipment"	No Recovery requested--Document accordingly.
A	Trust Fund	No written procedures for trust fund management. Separate Trust Fund required. No "com-mingled pool".	Disagree. See Auditor's response in Exhibit A.
	Recovery of \$1,036	Travel expenses charged to CDC grant.	Waiver Request: These employees no longer work for the county further back-up to support is unavailable. Respectfully request this recovery amount be waived and \$55,211 be accepted as payment in full.
B	Recovery of \$2,124.	Funds used for next fiscal period. Incurred on 10/4/06 for Winegard Satellite System related to FY06/07.	Disagree: Copy of Supply & Service showing this expense requisitioned during grant period attached.
C	Recovery of \$4,025	Insufficiently supported expenditures	Disagree: Copy of Invoice and state approval for this expense attached.
	Reclassify \$214	from CDC Base to Lab.	No Recovery requested--Document accordingly.
	Reclassify \$7,706	From "other" to "personnel"	No Recovery requested--Document accordingly.
	Total Recovery Request: \$69,775		Request you accept \$55,211 as payment in full.